Iowa Department of Administrative Services

Retirement Investors' Club (RIC)

Plan Summary

	457 Employee Contribution Plan	401(a) Employer Match Plan
Eligibility	▪ Permanent or probationary executive, judicial or legislative branch employee who is regularly scheduled for 20 or more hours of work per week or who has a fixed annual salary, except employees of the board of regents' institutions.	▪ An employee who contributes to the 457 plan is automatically eligible, except legislators.
Enrollment	▪ Contact an active investment provider (AIG Retirement, Hartford, ING Financial Advisers, & Nationwide) and request enrollment information and forms. Return all completed paperwork to the provider.	▪ Contact an active investment provider (AIG Retirement, Hartford, ING Financial Advisers, & Nationwide) and request enrollment information and forms. Return all completed paperwork to the provider.
Contributions	▪ Employee Only ▪ Minimum limit - $25 per month ▪ Maximum limit – lesser of 100% of compensation or $15,500 for 2008	▪ Employer Only ▪ Match Benefit – The State pays your match account $1 for every $2 you contribute monthly up to the maximum match amounts ▪ Maximum amount - $75/mo for all employees
Catch-Up Provisions	▪ 3-Year Catch-Up - For those nearing retirement, you may contribute up to twice the maximum limit shown above. ▪ 50+ Catch-Up - For those age 50 and older, you may contribute the maximum limit shown above plus $5,000 for 2008	No Provisions
Rollovers into plan	▪ Rollovers accepted from eligible 457 plans.	▪ Rollovers accepted from 401(a); 401(k); 403(a); 403(b); 408(a) and 408(b) including traditional, rollover, and SEP IRAs.
Federal and State Income Taxes	▪ Exempt until funds are distributed	▪ Exempt until funds are distributed
Vesting	▪ Always fully vested & non-forfeitable	▪ Always fully vested & non-forfeitable
Investment Provider Options	▪ New accounts may only be opened with the active investment providers (AIG Retirement, Hartford, ING Financial Advisers, & Nationwide).	▪ Accounts may only be opened with the active investment providers (AIG Retirement, Hartford, ING Financial Advisers, Nationwide). ▪ Contributions to the 401(a) must be invested with the investment provider receiving your 457 contributions.
Modifications to Account	▪ Increase, decrease or suspend contributions – complete State form ▪ Change name or address– - terminated employees contact RIC - active employees contact personnel assistant and provider ▪ Change beneficiary designations -	▪ Change name or address– - terminated employees contact RIC - active employees contact personnel assistant ▪ Change beneficiary designations - contact the provider ▪ Transfer to Active Provider within the plan – contact

	- Active Provider accounts – contact the provider - Inactive Provider accounts – complete State form ▪ Transfer to Provider within the plan – contact receiving provider.	receiving provider.
Financial Hardship (Unforeseen Emergency)	▪ You must have proof of a financial hardship due to an unforeseeable emergency. You may apply for this hardship while still employed.	▪ Not available in this plan
Other In-Service Withdrawals	▪ If your account value does not exceed $5,000 and you have not made deferral contributions for a 2-year period, you may withdraw the balance of the account while still employed.	▪ Not available in this plan
Purchase of Permissive Service Credits – employed	You may request that all or a portion of the account be transferred to an eligible retirement plan (e.g. IPERS) for purchase of permissive service credits.	▪ Not available in this plan
Loans	▪ Not available in this plan	▪ Not available in this plan
Distribution Options upon Severance from Employment	▪ Lump Sum withdrawal ▪ Lifetime Periodic installments ▪ Systematic withdrawal payments ▪ Any other form offered by provider-approved by RIC	▪ Lump Sum withdrawal ▪ Lifetime Periodic installments ▪ Systematic withdrawal payments ▪ Any other form offered by provider-approved by RIC
IRS Early Withdrawal Penalties	▪ None apply to this plan.	▪ 10% penalty may apply if money is distributed to you before age 59½.
Rollover Options	▪ Plan may roll to a 401(a); 401(k); 403(a); 403(b); 408(a) and 408(b) including traditional, rollover, and SEP IRAs.	▪ Plan may roll to a 401(a); 401(k); 403(a); 403(b); 408(a) and 408(b) including traditional, rollover, and SEP IRAs.
Requests for Distribution	▪ Inactive Provider accounts – complete State paperwork (and provider paperwork if required). ▪ Active Provider accounts –complete provider paperwork.	▪ Complete provider paperwork.
Minimum Distribution Requirements	▪ Distributions must begin no later than April of the calendar year following the year you attain age 70½ or are no longer employed, whichever is latest.	▪ Distributions must begin no later than April of the calendar year following the year you attain age 70½ or are no longer employed, whichever is latest.
Tax Withholding	▪ Taxes withheld from distributions are reported on Form 1099-R	▪ Taxes withheld from distributions are reported on Form 1099-R

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